

# **2007 Tariff Proposal**

*Presentation to the Transportation Commission*

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# **Presentation Overview**

- Review Tariff 2006/07 proposal
- Public involvement plan
- Schedule implementation

# 2007 Tariff Proposal Summary

- TPC recommended tariff changes for May 1, 2007 implementation:
  - 2.5% general fare increase with next-nickel rounding and continuation of Tariff Route Equity (TRE) phasing.
  - Extend the sunset clause on the discount program for in-need organizations to April 30, 2008, and modify the program to eliminate volume/frequency requirements for qualifying trips and apply credits at approximate rate of appropriate frequent-user discounts.
  - Adjust peak season fare calculations for oversize vehicles to match original policy intent (based on the peak-season car-and-driver fare, adjusted by the relationship between the base season car-and-driver fare and the analogous oversize vehicle fare).
  - Allow WSF management additional discretion to resolve fare-related operational issues resulting from implementation of EFS and SmartCard by temporarily modifying certain fare rules or individual fares, after which WSF would bring the issues back to the TPC and Transportation Commission for policy guidance.
  - Monthly passes that are purchased as part of the regional SmartCard program shall have unlimited use (passes would still be deemed “non-transferable”).

# **2007 Tariff Proposal Summary**

- TPC recommendations unrelated to tariff changes on May 1, 2007:
  - Due to the success of the program to date, TPC affirms continuation of the special Anacortes-Sidney RV promotional fare.
  - TPC strongly encourages the legislature to fund the market survey recommended in the JTC Ferry Financing Report, in order to assist in future Tariff cycles where time-of-day pricing and other transportation demand management strategies will be evaluated.

# 2007 Tariff Proposal Summary

**TPC recommended car and driver fare changes for implementation on May 1, 2007:**

Route	Full Fare		Multi-Ride Media		Peak Season	
	Current	Proposed	Current	Proposed	Current	Proposed
Vashon Island (RT)	\$14.40	\$14.80	\$115.20	\$118.40	\$18.00	\$18.50
Mukilteo-Clinton (1-way)	\$6.65	\$6.85	\$106.40	\$109.60	\$8.35	\$8.60
Central Sound (1-way)	\$11.25	\$11.55	\$180.00	\$184.80	\$14.10	\$14.45
Fauntleroy-Southworth (1-way)	\$8.70	\$8.90	\$139.20	\$142.40	\$10.90	\$11.15
Keystone-Port Townsend (1-way)	\$8.70	\$8.90	\$139.20	\$142.40	\$10.90	\$11.15
<i>Early Week (Monday-Wednesday)</i>						
Anacortes - Lopez (RT)	\$23.35	\$23.95	\$97.15	\$99.75	\$31.55	\$32.35
Anacortes - Shaw, Orcas (RT)	\$27.95	\$28.75	\$116.45	\$119.65	\$37.75	\$38.85
Anacortes - Friday Harbor (RT)	\$33.25	\$34.15	\$138.40	\$142.15	\$44.90	\$46.15
<i>End of Week (Thursday-Sunday)</i>						
Anacortes - Lopez (RT)	\$25.90	\$26.60	\$97.15	\$99.75	\$35.00	\$35.95
Anacortes - Shaw, Orcas (RT)	\$31.05	\$31.90	\$116.45	\$119.65	\$41.95	\$43.10
Anacortes - Friday Harbor (RT)	\$36.90	\$37.90	\$138.40	\$142.15	\$49.85	\$51.20
San Juan Interisland (RT)	\$15.45	\$16.65	\$61.80	\$66.60	\$19.35	\$20.85
Anacortes - Sidney (1-way)	\$41.90	\$42.95	N/A	N/A	\$52.40	\$53.70

Note: Multi-ride media include 10 round trips, except the San Juan Island auto media, which include 5 round trips.

# 2007 Tariff Proposal Summary

**TPC recommended passenger fare changes for implementation on May 1, 2007:**

PASSENGER FARES Route	Full Fare		Multi-Ride Media		Peak Season	
	Current	Proposed	Current	Proposed	Current	Proposed
Vashon Island (RT)	\$4.20	\$4.30	\$33.60	\$34.40	\$4.20	\$4.30
Mukilteo-Clinton (RT)	\$3.85	\$3.95	\$30.80	\$31.60	\$3.85	\$3.95
Central Sound (RT)	\$6.50	\$6.70	\$52.00	\$53.60	\$6.50	\$6.70
Fauntleroy-Southworth (RT)	\$5.00	\$5.15	\$40.00	\$41.20	\$5.00	\$5.15
Passenger Only (RT)	\$8.50	\$8.70	\$72.00	\$73.60	\$8.50	\$8.70
Keystone-Port Townsend (1-way)	\$2.50	\$2.60	\$40.00	\$41.60	\$2.50	\$2.60
<i>Early Week (Monday-Wednesday)</i>						
Anacortes - Lopez (RT)	\$9.60	\$9.85	\$69.25	\$71.20	\$11.55	\$11.85
Anacortes - Shaw, Orcas (RT)	\$9.60	\$9.85	\$69.25	\$71.20	\$11.55	\$11.85
Anacortes - Friday Harbor (RT)	\$9.60	\$9.85	\$69.25	\$71.20	\$11.55	\$11.85
<i>End of Week (Thursday-Sunday)</i>						
Anacortes - Lopez (RT)	\$10.65	\$10.95	\$69.25	\$71.20	\$12.80	\$13.15
Anacortes - Shaw, Orcas (RT)	\$10.65	\$10.95	\$69.25	\$71.20	\$12.80	\$13.15
Anacortes - Friday Harbor (RT)	\$10.65	\$10.95	\$69.25	\$71.20	\$12.80	\$13.15
San Juan Interisland (RT)	N/C	N/C	N/C	N/C	N/C	N/C
Anacortes - Sidney (1-way)	\$15.60	\$16.00	N/A	N/A	\$15.60	\$16.00

Note: Multi-ride media include 10 round trips.

# **2007 Tariff Proposal Summary (continued)**

- Revenue Impacts of the General 2.5% Fare Increase
  - In the last 2 months of FY2007 (May and June), revenue from the proposal is estimated to be approximately \$600,000.
  - In FY2008, the first full year impact of the fare proposal is estimated to generate an additional \$2.8 million in farebox revenues.

# **General Fare Increase, Rounding, and TRE**

- Enact a 2.5% general fare increase effective May 1, 2007.
  - General fare increase is applied to the Central Sound fares, and the fares for all other routes are determined on the basis of their Tariff Route Equity relationship to the Central Sound and then rounded up to the next nickel.
- Continue TRE and CUBE policy implementation:
  - Fares on the San Juan Interisland route and oversize vehicle fares on the Anacortes-Friday Harbor route continue to be phased into the appropriate TRE/CUBE relationships with an extra 5% above the general fare increase. Continuing with annual fare increases:
    - Interisland TRE is expected to be reached in May 2009; and,
    - Anacortes-Friday Harbor oversize fares will be in CUBE alignment by May 2007.

# Discount Program for In-Need Orgs

- The discount program for in-need organizations was set up as a Pilot Program from May 1, 2006 to April 30, 2007, with continuation of the program beyond May 1, 2007 subject to WSTC review and possible modification. Because EFS is still being deployed, the discount program for in-need organizations has not yet been implemented, but it is set to expire on April 30, 2007.
- The TPC recommends extending the sunset clause to April 30, 2008 and modifying the program as follows:
  - Eliminate volume/frequency requirements for qualifying trips, to streamline program management and minimize WSF administrative costs.
  - Bill monthly and apply credits at approximate rate of appropriate frequent-user discounts.
- Specific suggested changes to the WAC can be found in Attachment B.

# **Peak Season Oversize Vehicle Fare Calculations**

- At the March 23, 2006 Washington State Transportation Commission hearing, there was testimony suggesting that the oversize fares in the peak season were being calculated in a manner not consistent with language in the Washington Administrative Code (WAC).
- For the 2006 Tariff, the more stringent interpretation of the WAC language was applied, resulting in a marginal lowering of most oversize fares relative to the fares that were the subject of public review and comment.
- WSF staff and the WSTC concluded that this issue should be revisited in the next tariff cycle and the WAC language changed to match the original policy intent that the oversize fares always be set using the CUBE logic multiple of the car & driver fare.
- Therefore, the TPC recommends changing the WAC language to match this original policy intent (specific changes to the WAC can be found in Attachment B).

# Management Discretion for EFS/SmartCard Implementation

- WSF has been implementing its new Electronic Fare System (EFS) and working with its regional partners on SmartCard. Several program challenges have emerged related to coordination with public transit partners. Some of these challenges are fare-related.
- To avoid slowing the implementation of these complex regional fare systems (which could have cost implications for WSF), the TPC is recommending allowing WSF management additional discretion to resolve fare-related operational issues, after which WSF would bring the issues back to the TPC and WSTC for policy guidance.
- The suggested new language for the WAC is:

*"FARE COLLECTION SYSTEM IMPLEMENTATION - In order to streamline and expedite the implementation of regional fare collection systems, such as EFS and SmartCard, WSF may temporarily adjust fares or otherwise modify certain fare rules."*

# SmartCard Monthly Passes

- Because SmartCard media is not reproducible, the need for limiting trips is mitigated.
- Furthermore, all six of the other regional agencies participating in the SmartCard program allow unlimited usage on their monthly passes.
- Therefore, the TPC is recommending that monthly passes purchased as part of the regional SmartCard program shall have unlimited use (passes would still be deemed “non-transferable”).
- Monthly passes purchased through EFS will retain their current monthly usage limits.
- Specific suggested changes to the WAC can be found in Attachment B.

# Anacortes-Sidney RV Promotional Fare

- The promotional fare targeting oversize recreational vehicles and buses on the International Routes is a tourism-oriented discount where oversize vehicles receive a 50% discount for travel on WSF. The fares (in existence since May 1, 2005) are promoted through WSF channels and by working with the City of Anacortes to market the fares using local tourism promotional opportunities.
- This discount program has been successful at increasing oversize ridership without compromising revenue from this ridership category or displacing other vehicles.
- Due to the success of the program to date, the TPC affirms continuation of the special Anacortes-Sidney RV promotional fare for another year.

# **Market Survey**

- The TPC strongly encourages the legislature to fund the market survey recommended in the JTC Ferry Financing Report, in order to assist in future Tariff cycles where time-of-day pricing and other transportation demand management strategies will be evaluated.

# **Staff Proposal: Congestion Pricing Pilot Program**

- In response to the recommendations of the Joint Transportation Committee's Ferry Financing Study, WSF and WSDOT management propose establishing on May 1, 2007 a pilot program for the Port Townsend-Keystone route to test the effectiveness of congestion pricing approaches.
- The program could involve both discounts for off-peak travel as well as peak period fare options that would combine priority-loading with higher fares. The peak period program could include a reservation system, whereby customers would pay a premium for making a reservation for a particular sailing.
- The suggested authorizing language for the WAC is as follows:

*"CONGESTION PRICING PILOT PROGRAM - In order to test operational issues associated with potential congestion pricing and other demand management strategies, the WSF Executive Director shall have the discretion to implement discount fares for off-peak travel of no more than 50% of the applicable fare and surcharges for peak travel of no more than 100% of the applicable fare. This pilot program would be implemented on the Port Townsend-Keystone route and will expire on April 30, 2008."*

# Public Involvement

- Brochure distributed on vessels and terminals.
- WSF website will have “Tariff Proposal” link to tariff information.
- Information agent and ticket seller briefings and materials.
- Media information packets.
- Tentative public meetings in the following ferry communities:
  - South Sound: Vashon Island (2/20), Southworth (2/21)
  - Central Sound: Bremerton (2/22), Kingston (2/27)
  - North Sound: Whidbey Island (2/28)
  - San Juan Islands: Lopez Island, Orcas Island, San Juan Island (3/1)

# Timeline for Tariff Adoption

- Assuming Commission approval or modification, proposed implementation schedule is:
  - File CR102 -- no later than February 7<sup>th</sup>, 2007
  - Public comment period – January 17 – mid-March
  - Public meetings – February 20 – March 1
  - TPC meets to consider public input -- mid-March
  - Commission Hearing – week of March 22, 2007 (in Seattle)
  - File CR103 – no later than March 30, 2007
  - Tariff changes take effect -- May 1, 2007